

September 21, 2005

Commissioner Robert E. Nicolay
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

SENT VIA FACSIMILE

Dear Commissioner Nicolay:

I received copy of a letter from Mr. Jack Tranter, dated September 19, 2005 recommending an additional meeting of the CON Task Force. I wholeheartedly support his recommendation.

Mr. Tranter has raised several concerns that I agree with, most notably my desire for staff reaction and position on the recommendations, proposals and draft final report as considered to date.

I wish to discuss further the draft report of the Task Force before any final vote is taken. Specifically, the presumptive language related to the volume/outcome correlation of specialized services, suggesting ongoing licensure as a future surrogate to CON regulation. I think the retrospective nature of a licensure system defeats the Commission's goals of proactively working to ensure access to high quality, affordable health care.

In addition, the narrative in that same section concludes that CON is an anti-competitive force leading one to believe industries regulated by CON are without competition. While it is true that CON is a barrier to entry, it is incorrect to suggest that an uncompetitive market exists, in fact and appropriately so, "managed competition" is the true goal of CON and this is what exists in Maryland today.

I look forward to discussing the above points at our next meeting. Thank you in advance for your consideration.

Sincerely,

Michelle Mahan
Vice President & CFO
St. Joseph Medical Center

Cc: Pam Barclay